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"Welfare State"

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WACOSS 22/12/82
Perth

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History of social welfare as old as history of human race, history of W.S. much more recent phenomenon. Welfare State born with golden future ahead of it - political mechanism which could hope for elimination of want, ignorance, squalor, disease, idleness - temper inequalities arising from social and industrial structures. Hopes around corner, 1960s/70s was a new era characterized by distributive justice, maximum feasible participation, social supports which would maximise self worth and dignity, minimise stigma and create an equitable and just society.

The corner was never turned. Econ downturn used to shape retreat but as times tough W.S. attracted by left and right

- L - hasn't lived up to redistributive ideals - hasn't eliminated poverty, squalor
- R - wasteful, inefficient and morally repugnant.

What we are seeing is a retreat (reorientation) in legitimacy in economically difficult times.

The Welfare State, wrote Rudolf Klein, is the residual beneficiary of the 'Growth State'. In Australia, which in the early 1980s was experiencing the most severe recession for half a century, the term 'growth state' could not be applied to a situation of limited growth in Gross Domestic Product; of high and unevenly distributed unemployment; of persistently high inflation; of high levels of personal income tax in a system where wage and salary earners pay a disproportionate share of the nation's taxes; of receding company profits; of the virtual collapse of manufacturing industry; and of crippling interest rates. While much of business is in the doldrums

the position of the poorest and most vulnerable has deteriorated markedly, and their life chances have diminished so that as they face the mid to late 1980s their outlook is characterised by uncertainty and exclusion. Those facing this exclusion head on, cut a swathe right through our society, but vulnerability seems most heavily concentrated in those excluded from the labour force and from the housing market and those forced into situations of dependency either by virtue of age or disability or by virtue of class and gender relations.

How legitimate are the claims made by these people? How capable is our community in reacting to this. My argument is that organizations like WACOSS must engage in activities and maintain pressure so that Government cannot accelerate the retreat.

For government to operate authoritatively it must have extractive, regulative and distributive capabilities, as well as be responsive to community interests.

Extractive - skills of population
 - extraction of taxation

Regulative - always in doubt - too much - argument is about complexity and interdependence, much argument for deregulation

Distributive - Cash, services, life chances

Community interests - pressure group activity

Extractive, Regulative and Distributive capacities influence the three types of welfare systems

- social - services
- occup - \$5 billion
- fiscal - tax

in SWRC studying these 3 - 3 levels

- a) people and characterists
- b) institutions
- c) macro

To help understand retreat we must understand some aspects of our population structure

- ageing
- children
- welfare
- disabled etc.

AGED

9.6% today by 2030 14% ageing slowly - most Europe 17

Life expectancy M 47 - 70

F 51 - 77

achievement, not calamity but each day 300 turn 65
194 die

i.e. 106 per day or 39,000 per year - services, income.

but old, old - female 36% today of 65+ are 75+

46% in 2000 will be 75+

54 per 100 over 65 female

71 per 100 over 80 female

For example, it may seem trite to mention that most elderly males have a spouse and most elderly females do not have a spouse. This has ramifications for living arrangements and for care patterns.

Children

Many of the losers in tough economic times are children a decline in family income, a decline in services.

In particular, around 10% of Australia's families are single parent families and in these families there are over 400,000 children. Whereas 1.4% of two parent families rely for their incomes on government social security benefits and the figure among single parent families is 42%. Children, particularly those in single parent families are among the poorest people in our society. Part of feminization of poverty.

Illness and Disability

45% of whole population experiences chronic illness

For every 1000 persons, 803 chronic illnesses, for every 1000 elderly people, 1800 chronic conditions. Approximately 1.3 million Australians have disabilities which are handicaps. Over $\frac{1}{2}$ million severely disabled (most live at home - implications for family care and services).

Employment and Unemployment

We all know the disastrous and rapid growth in employment and the duration of unemployment. I won't go through the data on our labour force except - Concentration of unemployment 8% - 22%

Feminisation/Qualifications

Invalid pensions - men 50 - 59 rose 152%. These and other factors.

The 1980s will be a decade of declining economic growth, steady or declining public resources and increased demands on those resources. Uncertainty and exclusion will be the lot of many people in the 1980s - people who find they cannot get an income in the labour market; people whose education does not buy them a place in the job market; people whose skills have been undermined by technological change; people whose occupations have been rendered obsolete by structural adjustment; family heads who receive insufficient infrastructure support to maintain their families; women whose productive value is disregarded and who are confined to a state of dependence; people who have difficulty in achieving satisfaction in housing, services, or income, and young people who believe they have no worthwhile place in a competitive industrial society. These groups cover much of the population and will make claims for a share of Australia's welfare state in the 1980s. The conditions of Australia's vulnerable and poorest people - those persons with insufficient income, services and power by virtue of their disabilities, isolation, ethnicity and lack of life chances - will need humane attention.

This is despite the fact that DSS spends over \$11 billion p.a. on income maintenance - around \$32 million per day or \$1.3 million per hour.

This \$32 million per day has not prevented almost 2 million people from falling below a very austere poverty line, the majority of whom are income support recipients.

Changing patterns of dependency, not all of which can be met by income support system

- income support system has limitations and hence retreat from W.S. characterised by turn towards NGWOs and families as support and service systems.

Privatization of welfare: seeking - private solutions to public problems.

37,000 NGW0s in Australia as well as expectations that families play strong caring role.

Great variety of patterns in NGWOs re funding and services.

Of the 37,000 big business
big bur

About 4000 NGWOs have budgets over \$½ million

About 12000 NGW0s have budgets under \$5000

About 16000 NGWOs have budgets under \$10,000

About 14000 get nothing from government

About 8000 get more than $\frac{3}{4}$ of their budgets from government

About 5000 NGOs get something from government, but less than \$5000 -
hoops

Most tending for dep. family members provided by families - tremendous burdens - women in the middle but potential careforce diminishing.

1. Of those forming families in the mid-19th century, 80% had four or more children. Of those presently in their seventies, approximately 25% have had four or more children. Furthermore about 30% have no children or only one child.

2. Traditionally a pool of middle-aged unmarried women not in the labour force could be counted upon to provide care. Today there are fewer "never marrieds" in Australia than ever before. Of women aged 45 to 59, 22% in 1901 were never married. Today the proportion is 4.8%. For every 100 elderly persons, there were, in 1901, 8.7 unmarried women aged 45-59. Today there are 4.1.
3. Labour force participation rates for women have increased in the past decade from 39% to 45%. For married women aged 45-54 the 1980 labour force participation rate was 44.4% (50.7% for unmarried women). For those aged 55-59 the rate was 27% (and 34.4% for unmarried women).

Family care can be seen as a cheap alternative, a means by which families can provide (at little or no cost to the state) services otherwise financed by the taxpayer. This leads to the point that family care cuts across any element of equality between the sexes, in practice care by the family equals care by women. An increase in overall dependency can result if we develop the idea that in the future women can provide care for their relatives because they will in any case be at home, financially dependent on a man. This seems a very shaky basis on which to plan the expansion of care, when we examine our demographic and labour force data.

The key lies in NGWOs - major providers, but insufficiently developed in partnership with government. NGWOs are not private bodies and need to tie into a closer partnership. they need both to plan and provide, and keep on governments back to harrass mercilessly to make sure it performs its extractive, regulative and distributive roles.

The Australian welfare state is faced with issues, not of survival, but of alliance. Which groups will combine together to form a protective support for the vulnerable; which coalitions will strive for tax fairness and interference into market mechanism, so that inequality is not manifested; which coalitions will fight for the maintenance and improvement of benefits to ensure that the politics of exclusion is not directed at those with the fewest political resources; which coalitions will ensure that a reasonable balance be struck and maintained between the public and private spheres of allocation? These are the political issues which will shape the future of social welfare. As David Donnison pointed out, social welfare is not an 'unproductive frill tacked onto the economy as a charitable afterthought' but an integral part of any modern economy.

Needs requiring social care are found throughout society. Despite contemporary rhetoric, families may have the willingness, but not the capacity to provide the high level care required by dependent relatives. The voluntary sector is too diffuse and diverse to plan and develop and deliver the bulk of the services. The statutory sector has the bulk of the resources and the authority to develop comprehensive and equitable policies for the expansion of social care. Politicians who stress the virtues of family care are either unaware of the costs to families of providing that care or are cynically expecting a major shift in social provision and social resources with the result that those least able to provide adequately will find greater burdens thrust upon them. The 1980's will require greater state intervention, and the role of the voluntary sector will require exceptional perception, astuteness and empathy in the ability to identify problems, relate them to intervention systems, and work towards linking the appropriate balance of statutory, voluntary, and informal services, in an attempt to reverse the retreat from the W.S.